

McGuireWoods LLP  
Washington Square  
1050 Connecticut Avenue N.W.  
Suite 1200  
Washington, DC 20036-5317  
Phone: 202.857.1700  
Fax: 202.857.1737  
www.mcguirewoods.com

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WC 04-315



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July 29, 2004

**VIA MELLON BANK**

Federal Communications Commission  
Wireline Competition Bureau - CPD - 214 Appls.  
c/o Mellon Bank  
P.O. Box 358145  
Pittsburgh, PA 15251-5145

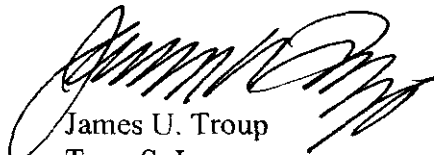
Re: **Searsboro Telephone Company, Inc., & Killduff Telephone Company**  
Domestic Section 214 Application for Streamlined Approval of a  
Transfer of Control Pursuant to Sections 63.03 and 63.04 of the FCC's Rules

To Whom It May Concern:

On behalf of Searsboro Telephone Company, Inc. ("Searsboro Telephone"), and Killduff Telephone Company ("Killduff Telephone"), transmitted herewith are an original and four (4) copies of the companies' domestic Section 214 application for streamlined approval of a transfer of control pursuant to Sections 63.03 and 63.04 of the Commission's rules, 47 C.F.R. § 63.03 and 63.04. As further detailed in the application, the companies' seek streamlined processing to effectuate the sale of the Killduff, Iowa telephone exchange from Searsboro Telephone to Killduff Telephone. A check in the amount of \$860.00 is enclosed to cover the requisite filing fee.

Please date-stamp and return the extra copy of this filing, which is included for this purpose. Should you have any questions with respect to this matter, please do not hesitate to contact the undersigned at (202) 857-1707.

Respectfully submitted,

  
James U. Troup  
Tony S. Lee

Counsel for Searsboro Telephone Company, Inc.,  
and Killduff Telephone Company

Enclosures

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
SEARSBORO TELEPHONE	)	
COMPANY, INC.	)	
and	)	File No. _____
KILLDUFF TELEPHONE COMPANY	)	
	)	
Domestic Section 214 Application for	)	
Streamlined Approval of a	)	
Transfer of Control Pursuant to	)	
Sections 63.03 and 63.04 of the	)	
Commission's Rules	)	
_____	)	

**JOINT APPLICATION FOR STREAMLINED APPROVAL OF A  
TRANSFER OF CONTROL**

Searsboro Telephone Company, Inc. ("Searsboro Telephone"), and Killduff Telephone Company ("Killduff Telephone") (collectively, the "Applicants"), by their attorneys, hereby request approval pursuant to Section 214 of the Communications Act of 1934, as amended,<sup>1</sup> and Sections 63.03 and 63.04 of the Commission's rules,<sup>2</sup> of the sale of Searsboro Telephone's Killduff, Iowa exchange to Killduff Telephone. This application is subject to streamlined processing under Section 63.03(b)(1)(iii) of the Commission's rules because it involves only the transfer of the local exchange assets of an incumbent local exchange carrier ("LEC") by means other than an acquisition of corporate control.<sup>3</sup>

As described in this application, Searsboro Telephone has agreed to sell the assets of the Killduff, Iowa exchange to Killduff Telephone. After the transaction is complete, Killduff

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<sup>1</sup> 47 U.S.C. § 214.

<sup>2</sup> 47 C.F.R. §§ 63.03 and 63.04.

<sup>3</sup> 47 C.F.R. § 63.03(b)(1)(iii).

Telephone will thereafter provide local, intrastate, and interstate telecommunications services to the customers in the Killduff exchange. No change in corporate control of Searsboro Telephone is involved.

In support of its application, Searsboro Telephone submits the following information pursuant to Section 63.04 of the Commission's rules:

**(1) The name, address and telephone number of each applicant.**

Searsboro Telephone Company, Inc.  
305 - 7th Avenue  
P.O. Box 306  
Sully, IA 50251  
Tel: (641) 593-6395  
Fax: (641) 594-2938

Killduff Telephone Company  
P.O. Box 508  
7210 Railroad Street  
Killduff, IA 50137  
Tel: (919) 293-0162  
Fax: (919) 806-1191

**(2) The government, state or territory under which the laws of which each corporate or partnership applicant is organized.**

Searsboro Telephone and Killduff Telephone are both incorporated under the laws of Iowa.

**(3) The name, title, post office address, and telephone number of the officer or contact person, such as legal counsel, to whom all correspondence concerning the application is to be addressed.**

The designated contacts for Searsboro Telephone are as follows:

Don Long, President  
305 - 7th Avenue  
P.O. Box 306  
Sully, IA 50251  
Tel: (641) 593-6395  
Fax: (641) 594-2938

with a copy to:

James U. Troup, Esq.  
McGuireWoods LLP  
1050 Connecticut Avenue, N.W.  
Suite 1200  
Washington, D.C. 20036  
Tel: (202) 857-1700  
Fax: (202) 857-1737

The designated contacts for Killduff Telephone are as follows:

Karen R. Turner, President  
9301 Naple Court  
Raleigh, NC 27617  
Tel: (919) 293-0162  
Fax: (919) 806-1191

with a copy to:

James U. Troup, Esq.  
McGuireWoods LLP  
1050 Connecticut Avenue, N.W.  
Suite 1200  
Washington, D.C. 20036  
Tel: (202) 857-1700  
Fax: (202) 857-1737

- (4) **The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of these entities (to the nearest one (1) percent).**

Searsboro Telephone: Don Long  
305 – 7th Avenue  
P.O. Box 306  
Sully, IA 50251  
Citizenship: United States of America  
Principal business: Telecommunications  
Percent owned: 100%

Killduff Telephone: Karen Turner  
9301 Naple Court  
Raleigh, NC 27617  
Citizenship: United States of America  
Principal business: Telecommunications and Health Care  
Percent owned: 100%

- (5) **Certification pursuant to 47 C.F.R. Sections 1.2001 through 1.2003 that no party to this application is subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853.**

Searsboro Telephone and Killduff Telephone certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's rules, that neither party is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853.

(6) **Description of the Transaction:**

**A. Background.**

Searsboro Telephone is an independent telephone company that currently provides local exchange telecommunications services in the Killduff and Searsboro exchanges, which are comprised of approximately 190 and 210 access lines, respectively.

Killduff Telephone is a newly-formed company that intends to operate as a provider of local exchange and exchange access telecommunications services in the State of Iowa, utilizing the facilities and equipment that are currently in place to serve the Killduff exchange.

Searsboro Telephone's day-to-day operations are currently managed and operated by Sully Telephone Association ("Sully Telephone"), which provides local exchange service to the towns of Sully and Reasnor, Iowa, as well as the surrounding rural area. Sully Telephone has personnel with extensive experience in the telecommunications industry, and currently manages the telephone operations in the Killduff exchange, subject to the oversight of Searsboro Telephone.

**B. The transaction that is the subject of this application.**

In this transaction, Searsboro Telephone is proposing to sell the Killduff, Iowa exchange to Killduff Telephone. This transaction includes all assets of the Killduff exchange, except those specifically excluded by the agreement between the parties, associated with that exchange. The

transaction therefore involves only the transfer of the local exchange assets of an incumbent LEC by means other than acquisition of corporate control.<sup>4</sup> Upon consummation of this transaction, Killduff Telephone will become the incumbent LEC in the Killduff, Iowa exchange area.

Killduff Telephone intends to provide service to all eligible customers in the Killduff exchange, and will continue the provision of a full range of telecommunications services to both residential and business customers without any interruption to the current services provided to subscribers by Searsboro Telephone.

Sully Telephone will continue to manage and oversee the telephone operations of the Killduff exchange after its transfer to Killduff Telephone. There will be no changes in personnel, or in the telecommunications products offered to end users, or in the day-to-day operation of the Killduff exchange once the transfer is complete. Only the identity of the carrier will be changed.

Killduff Telephone will therefore offer substantially identical telecommunications services, at similar rates, to those currently available to Searsboro Telephone's customers in the Killduff exchange. Killduff Telephone, however, intends to implement upgrades and improvements, as further described below, to enhance service in the Killduff exchange. Searsboro Telephone intends to use the economic gains realized by the transaction to enhance services to its remaining customers. No subscribers will lose their access to local exchange service as a result of the transfer. Moreover, since the transfer of the affected customers to Killduff Telephone's services is intended to occur automatically, after notice, the transition will be free of service disruptions.

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<sup>4</sup> See 47 C.F.R. § 63.03(b)(1)(iii).

**(7) Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area.**

The Searsboro and Killduff exchanges are located in a rural, sparsely populated section of south central Iowa, and are situated in counties separated by an adjacent service area. As described above, the Searsboro exchange serves approximately 210 access lines and the Killduff exchange serves approximately 190 access lines.

Searsboro Telephone is an independent telephone company that provides local exchange telecommunications services in both exchanges. Killduff Telephone is a newly-formed company that intends to operate the Killduff exchange after its transfer from Searsboro Telephone, and will provide comparable local exchange services to the public, under the continued management of Sully Telephone.

**(8) A statement as to how the application fits into one or more of the presumptive streamlined categories in Section 63.03 or why it is otherwise appropriate for streamlined treatment.**

This transaction qualifies for presumptive streamlined treatment because it “involves only the transfer of the local exchange assets of an incumbent LEC by means other than an acquisition of control.”<sup>5</sup> As described above, only the assets in the Killduff exchange owned by Searsboro Telephone will be transferred to Killduff Telephone, and no corporate change of control will result from the transaction.

**(9) Identification of all other Commission applications related to the same transaction.**

The parties filed a joint petition with the Commission seeking (1) a waiver of the definition of “study area” contained in the Appendix-Glossary of Part 36 of the Commission’s rules, and (2) a waiver of the definition of “average schedule company” contained in

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<sup>5</sup> *Id.*

Section 69.605(c) of the Commission's rules. The petition sought FCC authority to remove the Killduff exchange from Searsboro Telephone's current Iowa study area, and to create a new study area consisting only of the Killduff exchange served by Killduff Telephone. The petition further requested a waiver of the average schedule company definition in order for Killduff Telephone to continue operating the Killduff exchange as an average schedule company. The FCC approved the petition on July 27, 2004.<sup>6</sup>

Killduff Telephone has also filed a self-certification letter in CC Docket No. 00-257 to notify the FCC of the transfer of Searsboro Telephone's subscribers to Killduff Telephone.

**(10) A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure.**

Neither of the Applicants is facing imminent business failure. Accordingly, no special consideration of this application on this ground is requested.

**(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction.**

As discussed above, Searsboro Telephone and Killduff Telephone filed a joint petition with the Commission seeking a waiver of the definition of "study area" and "average schedule company", which was approved by the Commission on July 27, 2004.

**(12) A statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets.**

Grant of the instant Application will serve the public interest because it will result in the efficient provision of high-quality telecommunications services to rural consumers, and it will result in direct benefits to customers in both the Killduff and Searsboro exchanges. Killduff

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<sup>6</sup> See Searsboro Telephone Company, Inc. and Killduff Telephone Company Joint Petition for Waiver, *Order*, CC Docket No. 96-45 (rel. July 27, 2004).



Telephone intends to make several improvements to the facilities serving the Killduff exchange, including the replacement of switches that will result in the availability of enhanced features and improve the reliability of service in the Killduff exchange. Furthermore, Killduff Telephone plans to build a fiber ring structure throughout the exchange, which will enhance the redundancy and reliability of the network, as well as extend high-speed digital transmission capabilities to areas not currently served by fiber. Killduff Telephone will continue the provision of excellent service quality and customer service to subscribers within the exchange it intends to purchase, and it will provide such service at affordable and competitive prices.

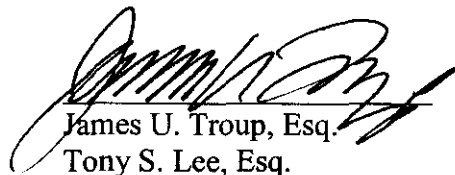
Subscribers in the Searsboro exchange will also benefit from the proposed transaction as Searsboro Telephone intends to use the economic gains from the sale of the Killduff exchange to make upgrades to its equipment. The planned upgrades will permit the company to offer additional and enhanced services in the Searsboro exchange. The transfer of the exchange from Searsboro Telephone to Killduff Telephone will be completely seamless to the subscribers in each exchange.

Moreover, the proposed transaction will increase operating efficiency and effectiveness regarding the provision of telecommunications services in the Killduff and Searsboro exchanges because it will permit Applicants to each focus on serving a single telephone exchange, rather than spreading limited personnel and management resources over two rural exchanges. Killduff Telephone's management team will endeavor to ensure that customers continue to receive the high-quality services they are accustomed to receiving, and they will seek to bring innovative and technologically advanced services to subscribers as market conditions warrant. Accordingly, grant of the instant Application is in the public interest.

**Conclusion**

For the reasons stated herein, Searsboro Telephone and Killduff Telephone respectfully request that the Commission apply presumptive streamlined processing to this Application pursuant to Section 63.03 of the Commission's rules, 47 C.F.R. § 63.03, and upon due consideration of the facts before it, issue an order approving the Application.

Respectfully submitted,



James U. Troup, Esq.

Tony S. Lee, Esq.

McGuireWoods LLP

1050 Connecticut Avenue, N.W.

Suite 1200

Washington, D.C. 20026-5317

Tel: (202) 857-1700

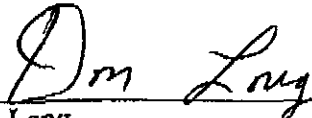
Fax: (202) 857-1736

Counsel for Searsboro Telephone Company  
and Killduff Telephone Company

Date: July 29, 2004

**CERTIFICATION ON BEHALF OF**  
**SEARSBORO TELEPHONE COMPANY, INC.**

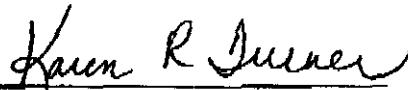
I, Don Long, hereby certify under penalty of perjury that I am authorized to make this certification on behalf of Searsboro Telephone Company, Inc.; that I have read the foregoing document and know the contents thereof; and that the same are true of my own knowledge, except to those matters therein stated upon information and belief, and as to those matters I believe them to be true.

  
\_\_\_\_\_  
Don Long  
President  
Searsboro Telephone Company, Inc.

7-28-04  
\_\_\_\_\_  
Date

**CERTIFICATION ON BEHALF OF**  
**KILLDUFF TELEPHONE COMPANY**

I, Karen Turner, hereby certify under penalty of perjury that I am authorized to make this certification on behalf of Killduff Telephone Company; that I have read the foregoing document and know the contents thereof; and that the same are true of my own knowledge, except to those matters therein stated upon information and belief, and as to those matters I believe them to be true.

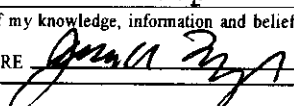


Karen Turner  
President  
Killduff Telephone Company

Date

7/29/04

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE

(1) LOCKBOX #  358145		SPECIAL USE ONLY	
		FCC USE ONLY	
<b>SECTION A - PAYER INFORMATION</b>			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) McGuireWoods LLP		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) 860.00	
(4) STREET ADDRESS LINE NO. 1 c/o James U. Troup			
(5) STREET ADDRESS LINE NO. 2 1050 Connecticut Avenue, N.W.; Suite 1200			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20036
(9) DAYTIME TELEPHONE NUMBER (include area code) 202-857-1700		(10) COUNTRY CODE (if not in U.S.A.)	
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>			
(11) PAYER (FRN) 0540505857		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Searsboro Telephone Company, Inc.			
(14) STREET ADDRESS LINE NO. 1 c/o James U. Troup - McGuireWoods LLP			
(15) STREET ADDRESS LINE NO. 2 1050 Connecticut Avenue, N.W.; Suite 1200			
(16) CITY Washington		(17) STATE DC	(18) ZIP CODE 20036
(19) DAYTIME TELEPHONE NUMBER (include area code) 202-857-1700		(20) COUNTRY CODE (if not in U.S.A.)	
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>			
(21) APPLICANT (FRN) 0003749512		(22) FCC USE ONLY	
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) 860.00	(27A) TOTAL FEE 860.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23b) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
<b>SECTION D - CERTIFICATION</b>			
<b>CERTIFICATION STATEMENT</b> I, <u>James U. Troup</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE <u></u> DATE <u>07/29/04</u>			
<b>SECTION E - CREDIT CARD PAYMENT INFORMATION</b>			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____ ACCOUNT NUMBER _____ EXPIRATION DATE _____ I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described. SIGNATURE _____ DATE _____			

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE (CONTINUATION SHEET)Page No 2 of 2

SPECIAL USE

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USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT  
SECTION BB - ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME

Killduff Telephone Company

(14) STREET ADDRESS LINE NO. 1

c/o James U. Troup - McGuireWoods LLP

(15) STREET ADDRESS LINE NO. 2

1050 Connecticut Avenue, N.W.; Suite 1200

(16) CITY

Washington

(17) STATE

DC

(18) ZIP CODE

20036

(19) DAYTIME TELEPHONE NUMBER (include area code)

202-857-1700

(20) COUNTRY CODE (if not in U.S.A.)

## FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN)

0009764655

(22) FCC USE ONLY

## COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1	(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1	(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1	(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
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(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1	(29F) FCC CODE 2	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159-C

FEBRUARY 2003 (REVISED)